



The State of New Hampshire Insurance Department

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Long-Term Care Policy Rate Increases Frequently Asked Questions

Long-Term Care (LTC) insurance is one way individuals can pay for nursing-home care, home-health care and personal or adult day care services. This type of insurance, introduced in the 1980's as nursing home insurance, may pay the service provider directly or provide reimbursement to the policy owner. In 2021, a New Hampshire court decision, required the State of New Hampshire to change how the state regulates rate increases for LTC policies issued in New Hampshire. The Department hopes the following information will answer many commonly asked questions concerning changes NH insureds may experience.

What is Long-Term Care Insurance? Long-Term Care insurance plans were introduced in the 1980s. LTC policies provide coverage for nursing-home care and home-health care.

Why is my policy changing? The contractual terms of your policy are not changing. The state Supreme Court, however, determined certain rate controls, implemented by the New Hampshire Insurance Department, are not permitted and, therefore, LTC companies are allowed to increase premiums at higher percentage rates than previously allowed.

Are the premium increases legal? Yes. LTC insurance companies are required to submit their rate increases to the New Hampshire Insurance Department for approval. By design, LTC policies are guaranteed renewable - which means while the companies cannot cancel the policies, they can increase the rates. As stated above, the state Supreme Court does not permit the New Hampshire Insurance Department to limit the magnitude of such increases as it had in the past.

Why am I receiving notice that my policy is changing? You are receiving notice to inform you of a pending rate increase. People across the country – not just NH residents - are receiving similar notices.

I am on a fixed-income, what are my options? NH's insurance regulations require companies that are implementing rate increases to provide non-forfeiture benefits in certain circumstances. If your company's increase triggers the non-forfeiture requirements, the rate increase letter which you receive will explain these benefits to you. Non-forfeiture benefits generally provide a "reduced paid up policy" option. This benefit provides the consumer the option to continue the policy at a reduced coverage amount in lieu of the premium increase. Insureds should discuss this and all other issuer-provided options with their insurance producer or a financial advisor.

Are there any limits on rate increases? NH Regulations require that rate increases be implemented in such a way that no policyholder incurs more than a 20% increase each year. The company is required to provide you with the total amount of the increase and the number of years over which it will be implemented.

Will my rates increase again? Your rates could increase again. However, state regulations limit rate increases to 20% a year. The company, however, may have received approval for a larger increase, which the company must implement over a number of years. Your rates could increase again.

I still have questions or concerns regarding my options, who can I contact? Questions and concerns regarding premium increases and non-forfeiture options are best directed to your LTC insurance company or insurance producer. The NH Insurance Department Consumer Services Department can also help. 603-271-2261, in state toll free (800) 852-3416 or email consumerservices@ins.nh.gov.

